



D&B Small Business Health Index

October 2013

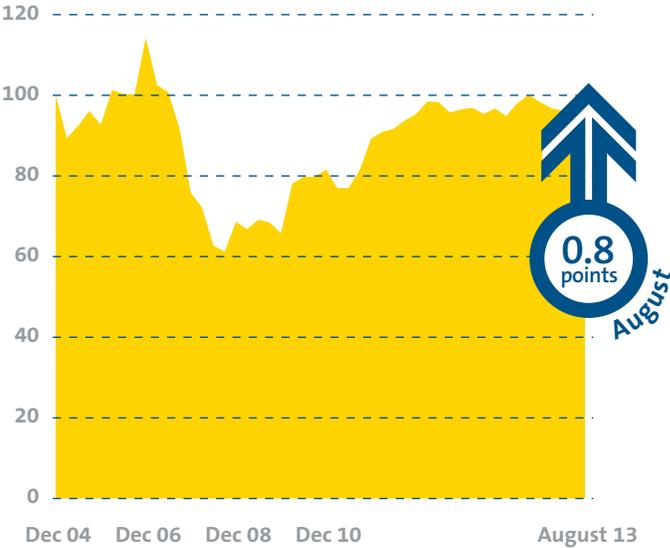
www.dnb.com



What's driving the US small business sector?

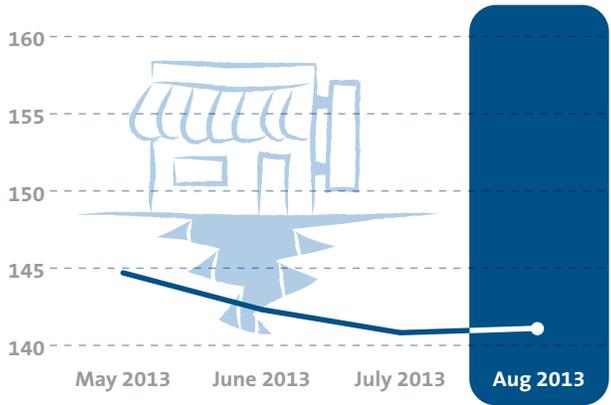
D&B's monthly Small Business Health Index rose 0.8 percent to an overall index value of 96.2 in August 2013, the first upturn since February. The improvement reverses several months of sluggish small business sector performance, largely driven by strong gains in Business Services (up 2.8 percent to 109.9), Retail (up 1.8 percent to 99.4), and Personal Services (up 1.2 percent to 95.2). Only the Automotive segment declined in August (down 0.8 percent to 95.3). Although the Index has shown small signs of optimism over the summer months, the across-the-board gains in August suggests small businesses may be standing on more solid fiscal ground heading into the fourth quarter.

Small Business Health Index: Overall



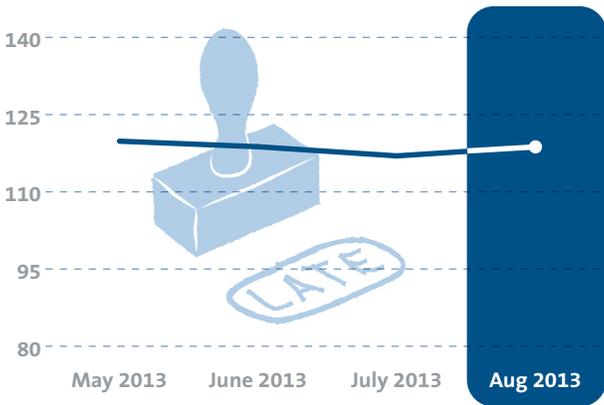
Source: D&B Global Data, Insights & Analytics

Fewer Small Businesses Fail



Fewer small businesses closed their doors in August, evidenced by improvement in the D&B Failure Ratio index (up 0.3 percent to 141.1). This marked the first upward movement since March.

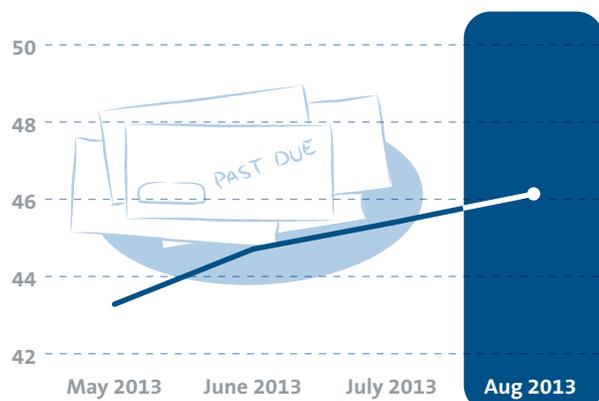
More On-Time Payments



More small businesses paid their bills on time in August. The D&B Payment Delinquency index improved 1.7 percent to 118.7.

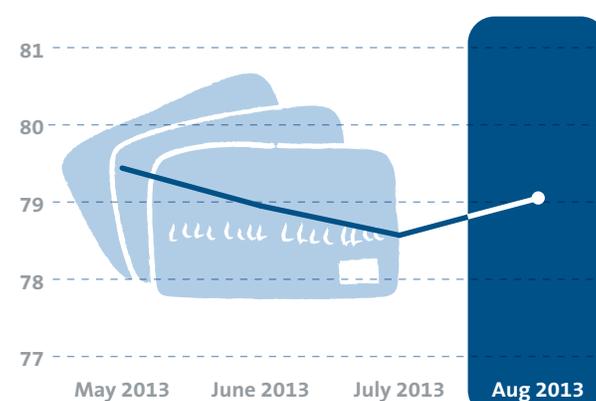


Credit Card Delinquency Improves



A 0.7 percent improvement in the D&B Credit Card Delinquency index (to a value of 46.1) suggests more small businesses are paying their credit card bills on time.

Credit Card Use Declines



Small businesses were less dependent on credit cards in August, signaling potentially greater access to traditional forms of credit. Consequently, the D&B Credit Card Utilization index improved 0.5 percent to 79.

What can we expect for small businesses?

Overall, Index gains indicate small businesses may be emerging despite choppy economic waters. While we are cautiously optimistic for a stronger second half of the year, small business owners face a protracted economic recovery and the impact from the recent federal government shutdown.

What is the Small Business Health Index?

D&B's monthly Small Business Health Index (SBHI) measures small business health through payment patterns, failure rates, and credit utilization. The SBHI follows a sampling of all active small businesses with fewer than 100 employees

and combines pro- and counter-cyclical elements to provide a simple, representative number. Using 2004 as the base year (Index value 100), improvement is designated by an Index value above 100.

D&B's informed perspective puts the future in focus, helping you protect, grow, and empower your business. To learn more, visit www.dnb.com